GAO Highlights

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June 2015

FEDERAL REAL PROPERTY

Current Efforts, GAO Recommendations, and Proposed Legislation Could Address Challenges

Why GAO Did This Study

The federal government's real property holdings are vast and diverse, costing billions of dollars annually to operate and maintain. GAO added federal real property management to its High-Risk List in 2003 because the government retained more property than it needed, relied on leasing in cases where ownership would cost less, and lacked reliable real property data to support decision making. Since then, the government has given high-level attention to the issue, including establishing FRPP to track federal buildings and structures governmentwide. Despite these efforts, federal agencies continue to face challenges in managing federal real property. This statement focuses on (1) improvements and challenges in federal real property management; and (2) executive and legislative steps that could help address challenges.

This statement draws from previous GAO reports issued between June 2012 and February 2015 and recent interviews with OMB and GSA officials.

View GAO-15-688T. For more information, contact Dave Wise at (202) 512-2834 or wised@gao.gov.

What GAO Found

In recent years, the federal government has taken steps to improve the management of its real property and current efforts show promise. However, the issue is still on GAO's High-Risk List because the underlying challenges remain. Recent reform efforts include two from the Office of Management and Budget (OMB):

- The 2012 "Freeze the Footprint" policy, which instructed agencies to keep the total square footage of their domestic office and warehouse inventory at a baseline level established using the Federal Real Property Profile (FRPP), a database that GSA developed to manage executive branch agencies' real property data.
- The 2015 National Strategy for the Efficient Use of Real Property for 2015-2020 that included a similarly named "Reduce the Footprint" policy. In this effort, OMB introduced a new policy framework intended to measure the cost and utilization of individual assets and identify opportunities to reduce the portfolio through asset disposal to increase efficiency.

Despite these recent strides, the federal government continues to retain excess and underutilized property, rely on leasing when ownership would be more cost effective, and utilize unreliable data for its property-related decision making.

GAO has made several prior recommendations related to real property management that, if implemented, could help address some of these challenges. Specifically, in recent years, GAO recommendations to GSA and OMB have included:

- taking specific steps to improve the reliability and usefulness of FRPP as a decision-making tool;
- articulating a clear strategy for its role in promoting effective and efficient practices in federal warehouse management throughout the government; and
- developing a 5-year capital plan to more fully consider and document agencies' investment choices.

In addition, several reform bills that have been introduced in recent years also could help to address certain issues. However, none have yet been enacted. For example, the Civilian Property Realignment Act (CPRA) could improve real property management by establishing an independent board to streamline the disposal process and grouping all disposal and consolidation recommendations into one proposal for Congress to consider in its entirety. Legislative reforms could also apply to the McKinney-Vento Homelessness Act, which introduced a process through which excess federal property is screened for potential transfer for use by homeless services providers. In 2014, GAO found that very few properties had been transferred to homeless service providers since the inception of the homelessness-assistance program created as a result of the Act and that many of the properties were not practical for homeless service providers to use. As a result, GAO suggested that Congress consider revisiting the property screening requirements under the Act.